

**Village of Indian Head Park
201 Acacia Drive
Indian Head Park, IL 60525**

**PUBLIC HEARING
MEETING MINUTES
BOARD OF TRUSTEES**

“Pursuant to 5 ILCS 120/c.06 (3) minutes of public meetings shall include, but need not be limited to a general description of all matters proposed, discussed, or decided and a record of votes taken.”

Wednesday, December 19, 2012

7:30 p.m.

CALL TO ORDER –MAYOR RICHARD S. ANDREWS

The special meeting public hearing of the Village of Indian Head Park Board of Trustees was held on Wednesday, December 19, 2012 at the Municipal Facility, 201 Acacia Drive, and was called to order at 7:30 p.m. by Mayor Richard Andrews. Village Clerk Joseph Consolo called the roll as follows:

ROLL CALL: JOSEPH CONSOLO, VILLAGE CLERK

PRESENT (AND CONSTITUTING A QUORUM):

Mayor Richard S. Andrews
Trustee Debbie Anselmo
Trustee Brian T. Bailey
Trustee Anne Bermier
Trustee Norman L. Schnauffer
Trustee Dennis Schermerhorn
Trustee Matt Walsh

ALSO PRESENT:

Joseph V. Consolo, Village Clerk
Richard Ramello, Counsel, Storino, Ramello & Durkin

NOT PRESENT:

Frank Alonzo, Chief of Police/Administration

Steve Busa, Treasurer

Edward Santen, Water/Public Works Superintendent

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Andrews and the Board of Trustees led the audience in reciting the Pledge of Allegiance to the Flag: *“I Pledge Allegiance to the Flag of the United States of America and to the republic for which it stands, one nation under God indivisible with liberty and justice for all”*.

Mayor Andrews and the Board of Trustees paused for a moment of silence in memory of the school children that lost their life in the Sandy Hook Elementary School shooting in Connecticut and also to mourn the loss of Billy Jo Noll-Brink, the wife of the Village’s Finance Director, Dave Brink. Billy Jo fought a long battle with Ovarian Cancer over many years.

Mayor Andrews thanked the law firm of Storino, Ramello and Durkin for making a donation over the past several years to the Make a Wish Foundation on the Village’s behalf.

PRESENTATION OF THE VILLAGE OF INDIAN HEAD PARK ELECTRIC AGGREGATION PLAN OF OPERATION AND GOVERNANCE

Mayor Andrews stated the purpose of the public hearing this evening is to provide information regarding the Village of Indian Head Park Electric Aggregation Plan of Operation and Governance and also to receive public comments.

Counsel Richard Ramello stated general information will be provided this evening regarding the Electric Aggregation Plan of Operation and Governance Program for the Village of Indian Head Park. He noted the purpose of the public hearing is to receive public comments from residents on issues to possibly be considered as the Village moves forward with electric aggregation process. Counsel Ramello pointed out the following steps that are necessary to put the Village of Indian Head Park Electric Aggregation Program into effect:

(1) a Plan of Operation and Governance was prepared and will be discussed at two hearings to be held by the Village Board; one hearing this evening and the second hearing on January 8, 2013. A copy of the Electric Aggregation Plan of Governance has also been posted on the Village Website for public reference; (2) the Village is required to conduct two public hearings on this matter pursuant to Section 192 of the Illinois Power Agency Act. A notice of public hearing regarding both hearing dates was published in the Suburban Life Newspaper for two consecutive weeks; (3) at the conclusion of the public hearings, the final Electric Plan of Operation and Governance will be presented to the Village Board for consideration and a possible vote at the January, 2013 meeting; (4) if the Plan of Operation and Governance is adopted, thereafter the Village will seek bids from registered electric suppliers in the State of Illinois that have gone through the process of registration as an electric supplier through the Illinois Commerce Commission; (5) electric suppliers will be provided with a bid packet that includes specifications for submitting a proposal to the Village of Indian Head Park to provide electricity to the community; (6) the purpose of the electric aggregation process is to be able to seek competitive bids for electric power and possibly reduced rates to small businesses and residents as a group within the community lower than the rate offered by Commonwealth Edison; (7) small businesses and residents will still receive a bill from Commonwealth Edison who is still responsible for delivering the power to the community. He noted a few years ago Commonwealth Edison got out of the electric generation business and Commonwealth Edison at that time was split into two (Exelon who provides the power to Commonwealth Edison to deliver it to the homes and small businesses); (8) Commonwealth Edison is neutral on who provides the power whether it is their sister company Exelon or another company. ComEd still maintains the electrical lines, utility poles and provides transmission of electricity from a power generator source; (9) the Electric Aggregation Plan of Operation and Governance was drafted according to requirements of Section 192 of the Illinois Power Agency Act that is part of Chapter 20 of the Illinois State Statute and the Village is following procedures to implement the electric aggregation program; (10) in August, 2012 the Village passed an ordinance that placed a referendum question on the election ballot in November, 2012. That referendum passed by majority vote by residents of the community; (11) the Village is proposing to operate the electric aggregation program as an “opt-out” program. He noted residents will receive a notice by mail once the Village selects an electric supplier and residents may opt out if they do not wish to be part of the Village’s program. Residents will automatically be included in the Village’s program unless they decide to opt out within the cut-off date and there will be no disruption in electricity to residents as a result of the cut-

over to a new electric power company; (12) there will be an opt-out period and residents will receive notice from the electrical supplier advising residents of a cut-over date; (13) the Village will not sign a contract with an electric power supplier unless there is a savings for the residents; (14) if residents do not opt-out, they will automatically become a customer of the electric supplier selected by the Village; (14) the plan currently proposes for each electric supplier to provide the Village with a price for energy that meets the minimum requirements of the supply of electricity through the Commonwealth Edison system as well as prices for renewable energy that is produced through hydroelectric plants powered by windmills or energy produced by partial renewable energy sources; (15) once the bids are received from various suppliers, the Village can compare the various proposals and determine the best source to select for electric power supplier and enter into a contract for power; (16) if the bid prices for electricity come in higher than anticipated, the Village can reject any and all bids and seek new bids. Counsel Ramello noted some communities have decided to join with other communities who have approved the electric aggregation plan to seek rates together to determine if the rates are better for electricity to be provided to a larger group; (17) the aggregation plan has customer service standards requiring a power supplier that is selected to have both Website and telephone customer service line options; (18) electric bills will continue to be sent from Commonwealth Edison and residents will still call ComEd for any electric service disruptions or billing questions regardless of the power supplier that is selected; (19) the only difference residents will notice on their utility bill is a separate line item for the power supplier rate; (20) the electric supplier will maintain a call center with a toll free number and a Website and also will need to comply with all requirements of the Illinois Commerce Commission; (21) the initial minimum term of the power supply agreement is for at least a one year period and the Village may seek bids for a two and three year contract also; (22) residents may decide to terminate participation in the program if they find a better electric rate but there may be a cancellation fee imposed by the electric supplier; (23) if a resident moves from one location in the Village to another there will be no fee charged as long as the same power supplier is maintained; (24) the electric power supplier will be required to report both to the Village and the Illinois Commerce Commission on the amount of power being supplied to the community, and if any renewable energy is supplied, a report must also be provided and; (25) the plan allows for amendments if there are any changes in law or rules and regulations for power suppliers.

Mayor Andrews pointed out the Village Board is required to conduct a second public hearing regarding the electric aggregation and these topics will be discussed again. The second hearing will be held on Tuesday, January 8, 2013 at 7:30 p.m. at the Municipal Facility.

PUBLIC COMMENTS FROM THE AUDIENCE

Glenn Mann, of Blackhawk Trail, stated he reviewed the Village's draft proposed Electric Aggregation Plan of Operation and Governance. He asked what demand management in the plan would entail and how it is defined. Counsel Ramello stated Commonwealth Edison has been moving ahead with the smart meter program and recently received an extension to implement that program. Mr. Mann asked how the smart meter program with Commonwealth works. Counsel Ramello stated Commonwealth Edison will eventually change all of their meters that will be able to monitor the times in which residents are using the most electric power and then someone could subscribe to a plan to be able to use power at times when it is the most efficient and cost effective to use that power. Counsel Ramello stated there are some small businesses currently utilizing a program using electricity to cool their business during evening times when the rates are less and there is not much demand for power. Counsel Ramello further stated the Village is not mandating in the Village's plan the smart meter program. Mayor Andrews stated that he attended meetings with Commonwealth Edison previously regarding the smart grid program and Commonwealth Edison will be able to isolate a power outage to restore power more efficiently when that program is fully implemented by re-routing electricity around that outage to minimize impact.

Tim Kyzivat, of Stonehearth Lane, stated there was a mention that companies the Village would be getting its power from must be approved by the Illinois Commerce Commission. He asked if those power supply companies are financially sound to provide electricity to the community. Mayor Andrews responded, yes. Mr. Kyzivat stated if enough people opt out of the Village's program does that affect the requirements from the supplier to provide electricity to the community. Counsel Ramello stated the power supplier agrees to provide power to residents and small businesses no matter how many people opt out of the program.

Chris Metz, of Arrowhead Court, asked who administers the opt out program. Counsel Ramello stated residents would receive a notice letter from the alternate power supply company selected by the Village informing residents they have been selected as the power supplier.

At that point, residents will have an opportunity to opt out should they choose not to participate and the opt out form would be sent back to the power supply company by those residents. Counsel Ramello further stated the Village would only receive various reports after the program is implemented and there is no administrative work that needs to be done by the Village. He added residents would still continue to report power disruption in service directly to Commonwealth Edison or discuss billing issues.

Tom Hinshaw, of Shabbona, asked if there are any other financial obligations of the Village if there is a one, two or three year contract with the electric supply company and the Village decides to get out of the program or is the program for the total benefit of the community. Counsel Ramello stated the electric aggregation program is solely for the benefit of residents and small businesses in the community and the Village does not receive any financial compensation for being involved in this process.

Glenn Mann asked if the Board knew the projected cost per kilowatt hour compared to the current cost for electricity. Counsel Ramello stated other communities that have approved the electric aggregation and sought bids have received bids between 4.5 cents to 5.5 cents per kilowatt hour. He noted Commonwealth Edison currently is charging about 7 cents per kilowatt hour. Mr. Mann asked with regard to renewable energy does the Village have to select one or the other type of energy source or if there is a dual option of power. Counsel Ramello stated the Village will make the decision on which energy source to offer the residents. Mr. Mann stated his belief is that renewable energy is being subsidized with money the Federal Government does not have and it may not be cost effective to offer renewable energy as an option. Counsel Ramello stated the Village will not make its decision until bids are received to determine the best possible source of power for the community and residents will have an opportunity to provide input.

Tom Hinshaw asked if the electric supplier bids received by the Village would be for a minimum power level requirement. He asked if there are different power levels. Counsel Ramello stated the minimum power requirement refers to power generated by any source which could be from renewable energy, solar power, a coal fired power plant or electricity from anywhere else as long as it meets the proper state requirements to provide electricity. He noted after the minimum requirements, there are other requirements such as a constant supply of power must be provided, power must be a certain voltage, at least 25% of the power should come from a renewable source (wind, solar energy or methane gas or hydroelectric

power). The next step in the process is that 50% of the power then 100% of the power would be provided by those power sources. Counsel Ramello stated the Board will review all bid proposals from electric suppliers and determine the best source to provide for the community.

Glenn Mann asked if there would be any other administrative on-going expenses relative to implementing the electric aggregation program. Counsel Ramello stated the Village would only receive reports from the power supplier and any complaints would be forward on to the power supplier to resolve. Counsel Ramello further stated if someone loses power to their home they would not call the Village to report an outage but contact Commonwealth Edison regarding a service disruption. He added the only calls the Village should receive is to provide direction to residents who to contact. Mr. Mann asked if someone already selected an electric supplier other than Exelon before the Village program was implemented can that resident join the program. Counsel Ramello stated that resident would become an opt in customer in that case and would have an opportunity to join the Village program although there may be a cancellation fee for that resident to discontinue service with that power supplier and the maximum fee that can be charged for cancelation is \$25.00.

Patrick Finley, of Cascade Drive, asked if the Board concludes this matter at the January Board meeting how soon would the Village seek bids, when would the program be implemented and when will the type of energy be decided. Counsel Ramello stated once the Board approves the plan of operation and governance, a bid date would be set, it would take about thirty (30) days to receive requests for proposals. He added possibly an electric supplier recommendation can be made to the Board at the February Board meeting for consideration then the electric supplier that is selected will correspond with Commonwealth Edison for the next step in the process, generally about forty-five (45) days.

COMMENTS FROM THE BOARD OF TRUSTEES

Trustee Bermier stated that Commonwealth Edison has a rate change due in June. She asked if the Village could request a new supplier to provide a lower rate than Commonwealth Edison. Counsel Ramello stated some requirements can be added to the bid specifications. However, the more restrictions placed on the electric supplier, the more they try to cover their costs by raising their rates. Counsel Ramello stated language can be added asking suppliers to provide a rate that is lower than Commonwealth Edison's rate.

Mayor Andrews stated if the electric supplier for Commonwealth Edison at some point was at a lower rate than the power supply company the Village chose, that company would then probably buy power from the ComEd supplier and then sell it to the Village to stay competitive in pricing.

Trustee Schermerhorn stated it seems that the Village will receive bids in a matrix format from various power supply companies to include terms of the contract, type of power to be provided and other options. Counsel Ramello stated the Village will receive a spreadsheet from each power supply company with various options including prices then the Village can make a decision on which option to offer residents based on those bids received.

Trustee Bailey stated when the bids are received from various power supply companies, there will be different prices for various options. He noted some residents may be totally in favor of green initiatives that cost more money and some may be in favor of getting the lowest price for electricity. Trustee Bailey asked if the Board should seek input now from residents on various types of energy sources before a decision is made. Counsel Ramello stated the purpose of the public hearing process is to seek input from residents, a second hearing date is set for January 8th and once the hearing process is concluded, the Board will move forward in the process.

Trustee Schnauffer asked if residents with electric heat in multi-family dwelling areas are exempted from participating in the Village's program because those residents already receive a lower kilowatt hour rate. Trustee Schnauffer stated residents of Wilshire Green Condominiums pay about 5 cents per kilowatt hour. Counsel Ramello stated some residents may already be receiving a lower rate for electricity in those situations.

Tim Kyzivat, stated without knowing the numbers on the cost of various energy options, it is up to the Board to review the bids and decide what is the best possible choice for a power supplier for the entire community. Counsel Ramello stated all bids received will be made public before the meeting and the Board's decision to select a supplier.

Trustee Walsh stated if a resident wants to have entirely green energy they have that choice individually to select that option or if they want to go with the lowest possible rate as well. Tim Kyzivat asked if power to be provided to the Village Hall would be included in the bid proposal for a new power supply company and the Acacia Clubhouse may be exempt also.

Counsel Ramello stated a customer must use less than 15,000 kilowatt hours per year to qualify to participate in the Village's program. He added the Village receives its electricity power free of charge according to the terms of the franchise agreement as a municipality.

Glenn Mann stated there are case studies that dispute some renewable energy for various reasons and he does not believe it is in the best interest of the Village to pursue that option for residents of Indian Head Park. Mayor Andrews stated that he came across a bid from May, 2012 for the Village of Riverside from Direct Energy that submitted a bid with two options. One bid was for non-renewable energy and the other an all green bid. He noted Riverside chose to go with an all green bid. Mr. Mann stated that he is not in favor of the Village choosing an entirely renewable energy source for the residents. Mayor Andrews stated there may be a difference of opinion for various electric supply options but the Board will review all options before making a decision on this matter.

Trustee Anselmo stated due to the size of the Village, the savings to residents for electricity may not be as much as it would be in a much larger community. Patrick Finley asked if Wilshire Green Condominiums would be exempt from participating in the electric aggregation program. Trustee Schnauffer stated three Wilshire Green Buildings have electric heat, one building has gas heat and the condominium buildings that have electric heat would be exempt from the electric aggregation program because the kilowatt hour rate is already lower.

Mayor Andrews stated the objective is to obtain the best electric rate for as many residents and small businesses in town as possible. He noted anyone that uses over 15,000 kilowatt hours per year or exceeds a certain electric supply in demand each year is exempt from the aggregation program. Mayor Andrews asked if there is a cancellation fee, could language be incorporated in the contract the Village has with the electric supplier to waive the fee for a period of time. Counsel Ramello stated that could be done.

Mayor Andrews also asked if bid provisions could be added for a greater period of time for the opt out period. Counsel Ramello stated that also could be done. He asked if residents that have selected on-line bill pay with Commonwealth Edison to pay their bill will have to make changes if an alternate supplier is selected. Counsel Ramello stated no matter who the electric supplier is the bill will always come from Commonwealth Edison on one bill and still payable to Commonwealth Edison either by mail, phone or their Website.

Mayor Andrews asked if the plan of governance has two opt out periods, one by the supplier and an additional by the service provider. Counsel Ramello stated there is only one opt out period.

Mayor Andrews reminded everyone that another meeting will be held on January 8, 2013 following the same format and providing the same information. He also wished everyone a Merry Christmas and Happy New Year.

ADJOURNMENT

There being no further business to discuss, Trustee Schnauffer moved, seconded by Trustee Anselmo, to adjourn the regular Board meeting at 8:35 p.m. Carried by unanimous voice vote (6/0/0).

Respectfully submitted,
Kathy Leach, Deputy Village Clerk/Recording Secretary